

## **NORTHGATE STAKEHOLDERS GROUP MEETING SUMMARY**

**North Seattle Community College  
ED 2843A in the Dr. Peter Ku Education Building  
Thursday, July 22, 2004, 4 p.m. – 6:30 p.m.**

---

The Northgate Stakeholders Group (Group) held its seventh meeting at North Seattle Community College on Thursday, July 22, 2004 from 4 p.m. to 6:30 p.m. The purposes of the meeting were to:

- Approve meeting summary #6;
- Review the proposed Stakeholders Group meeting schedule for the fall;
- Hear a report from the Northgate Area Comprehensive Plan (NACP) Subcommittee and finalize advice on incorporating the NACP policies into the Seattle Comprehensive Plan;
- Hear a report from the Open Space and Pedestrian Connections Subcommittee and discuss the Stakeholders Group's future role;
- Receive a briefing on how development at Northgate is permitted;
- Hear a presentation on the Northgate Mall Development Agreement between the City of Seattle and Simon Property Group and an initial presentation from Simon about their proposed Northgate Mall development.

### **Welcome/Agenda Review/Meeting Summary**

#### ***Welcome, Chair Ron LaFayette***

Ron LaFayette welcomed the Stakeholders to their seventh meeting. He reported attending a meeting of the City Council Committee of the Whole on Wednesday, July 14 where he discussed and responded to questions about the three pieces of advice the Stakeholders had provided to the City. Brad Larssen also attended. The Chair said that the Council appreciated how comprehensive the Group's advice was as well as the inclusion of both majority and minority opinions. He conveyed the Council's appreciation for the level, intensity and value of the Stakeholders' work. In the public testimony that followed, he said, all who testified supported the Group's advice.

The Chair then briefly reviewed the agenda for the meeting and explained that Bruce Lorig was not on the agenda because he did not have much to add to what the Group had already heard.

#### ***Future Meeting Dates***

Alice Shorett, facilitator, presented a schedule of Stakeholders Group meetings and a Community Forum for the fall that would focus on the Lorig and Simon developments:

- September 23 (Thursday): Stakeholders Group meeting
- October 12 (Tuesday): Stakeholders Group meeting

- October 26 (Tuesday): Community Forum
- November 11 (Thursday) Stakeholders Group meeting

She asked members to hold those dates but noted that the schedule might be adjusted if the schedule for the Lorig and Simon projects changed. The Chair indicated that the issue of how long the Stakeholders Group would continue would be revisited in the fall.

#### *Meeting Summary for June 24, 2004*

The Chair reported that he had received the following correction to the June 3 meeting summary (page 9, 4<sup>th</sup> paragraph): the City Council is expected to complete its work on the Comprehensive Plan in October, not by September 1. There were no corrections to the summary of the June 24 meeting and it was approved as written.

#### *Cancellation of the Library/Community Center Groundbreaking*

A member asked if anyone from the City could elaborate on why the library/community center groundbreaking, scheduled for Saturday, July 24, had been canceled. Alex Harris, Capital Program Director for Seattle Public Library, explained that the City received three bids for the project, all of which were roughly \$2 million above the project's \$7.1 million budget. She said that the Library had done a significant amount of estimating in building 13 libraries. Of those, only three -- recently completed -- were over budget. She identified the following factors as possibly contributing to the higher-than-expected bids:

- The season -- contractors had other work
- The fact only three bids were submitted (rather than the more usual eight to ten)
- The fact that the cost of metals, especially steel, has spiked and the same steel subcontractor was included on all three teams

She said they had decided not to award the contract but rather to work with architects and explore ways to reduce costs while maintaining quality for both the library and the community center. The bidders, she said, had agreed to share information with the City's estimators. In reviewing the bids, she said they found four or five areas where costs were well above expectations (concrete, finishes, mechanical, and, steel). She said the City would explore less costly options that still met durability and other requirements. She expected the City to re-issue a request for bids in late 2004 or early 2005 and hoped for better pricing.

#### **Inclusion of Northgate Area Comprehensive Plan (NACP) into the City's Comprehensive Plan – Completion of Advice**

The Chair invited Rebecca Herzfeld of City Council Central Staff to join him for discussion of the NACP-related issues. He reported that a Subcommittee had met twice with Norm Schwab of Central Staff since the June 24 Stakeholders Group meeting. Subcommittee members in attendance at this meeting included Bruce Kieser, Velva Maye, Colleen Mills, and Bob Vreeland. The Subcommittee developed draft language on two issues -- SEPA review and rezoning -- that were not addressed at the June 24 meeting. The Chair noted that draft language on both issues had been sent out in advance of this meeting for Stakeholders' review.

He asked Colleen Mills to report on the Subcommittee's work. Ms. Mills indicated that the Subcommittee had recommended a few word changes, to "encourage" or "promote," in the goals and policies for the SEPA review issue but nothing major. With respect to the rezone issue, the Subcommittee decided it did not want to address the issue of the Howland property. During discussion, one member said it was an issue the City Council should address, not the Stakeholders Group. Another member said that the Comprehensive Plan would be re-evaluated in five years, and, if core properties, which are intended to be developed first, were not redeveloped during that time, perhaps rezoning should be given a second look. Another member pointed out that single family zoning de facto recommended retaining single family properties. Another member noted that people had spent four years developing the Northgate Area Comprehensive Plan; if changes were needed, he said, they should be the result of some other process, not a result of a Stakeholders Group Subcommittee recommendation.

With respect to the rezone issue, Ms. Mills said that the Subcommittee had reviewed five options and unanimously voted in favor of the more restrictive wording (option 3) that would make zoning changes harder. It was moved and seconded to support option 3. During discussion, a member spoke in opposition to the "inflexible" language in option 3. As a home builder, he said, he knows that much of the increase in housing costs is the result of the scarcity of land. With respect to the Howland Homes property, he felt it was not in a typical single family neighborhood but rather on the fringe and there was a need for something in between six-story rental properties and owner-occupied housing. He urged the group to be more flexible.

The Chair called for a vote on the motion to support option 3. There were 10 votes in favor and four opposed.

With respect to SEPA review, Ms. Herzfeld indicated that the Subcommittee's proposal was to keep the policies in place pending more study by City Council Central Staff and a recommendation on where the best place would be to put them in city regulations. It was moved and seconded to support the proposed language. A member suggested that the final clause, which referred to review of drainage, should identify Seattle Public Utilities (SPU) as a partner. Ms. Herzfeld said that the Department of Planning and Development (DPD) was likely to consult with SPU in any case and did not see it as a problem to add SPU.

When the Chair called for a vote, there were 14 in favor of the proposal as amended and no opposition or abstentions.

### **Open Space and Pedestrian Circulation**

Lyle Bicknell, urban designer at DPD, reported that he had met with a Subcommittee on July 13 and reviewed in-depth the final plan that was included in members' packets. He said it would serve as the foundation for the pedestrian and bicycle connections program. He identified two outstanding issues: first, the fact that the bicycle map in the plan did not reflect reality and, second, the group's desire to stay engaged with private development plans (in addition to the forum that the Design Review process provides).

A member expressed concern that development was happening without the Coordinated Transportation Investment Plan (CTIP) in place and said he wanted Seattle's Department of Transportation to address the Group's concerns as much as possible. Mr. Bicknell responded that some elements would be forwarded directly to CTIP for short- and long-term consideration.

A Subcommittee member pointed out that the document did not reflect the Subcommittee's discussion of *providing access into and through open space*. Mr. Bicknell noted that it also did not address the Group's desire for a continuing connection on First from NE 100<sup>th</sup> to NE 92<sup>nd</sup>. The plan, he said, was still a working document.

Another member noted that the plan focused on the east side of I-5 and there was a need to start breaking I-5 down as a barrier. He recommended beefing up the area west of I-5, to show that the west side is part of the core area.

In response to the Chair's question about the Group's preference for how to be involved or track this set of issues, a Subcommittee member said that the Subcommittee had expressed interest in continuing as a group and working on the next stages but had not developed a schedule of meetings. Rather, the Subcommittee would meet as necessary. The Chair summarized the discussions as follows: the Stakeholders Group is pleased to be involved and a Subcommittee will stay engaged.

## **Break**

### **Seattle's Design Review and Permitting Processes**

The Chair introduced Diane Sugimura, Director of DPD, to provide a briefing on the City's permit and review process and how it correlates with the Design Review process. (Please see the blue handout with three columns that she used to track the processes and their interrelationships.)

In terms of the larger context, she indicated that the City's Comprehensive Plan, adopted in 1994, was in the process of being updated as required by the Growth Management Act. She noted that the NACP had targeted 3000 new housing units and 9300 new jobs for the Northgate area, but the area was well behind meeting those targets.

She indicated that the NACP has its own policies and that a variety of planning efforts were underway related to Northgate: the 5<sup>th</sup> Avenue Streetscape plan, the Pedestrian and Open Space Plan, and CTIP.

With respect to regulations, she said that basic city-wide design standards applied. In addition, Northgate had an Overlay District with its own design guidelines.

She pointed out that a Master Use Permit or MUP is required for projects of a certain size; both the Lorig Project and Simon's Northgate Mall project would need such a permit. The City's process also includes Design Review and State Environmental Policy Act or SEPA

compliance. She then tracked how proposed projects made their way through the Master Use Permit, Design Review, and SEPA processes.

She said Design Review was triggered if a project involved four units or 4000 square feet. Design Review requires an early design guidance step. The intent of this early step, which takes the form of an early Design Guidance public meeting, is to consult with the community before projects are very far along, to find out what things are most important to the community, so projects will fit their communities. After this meeting, DPD staff prepare written guidance to an applicant. Depending on the written guidance, the applicant may proceed with the project and request a Master Use Permit or he may need to return to a second meeting to address issues before applying for a Master Use Permit.

Ms. Sugimura then addressed a question raised at the June 24 meeting: how a project (such as the Lorig development proposal) could go through the permitting process when CTIP was still in the development phase and not completed. She explained that state law mandates that DPD review a proposed project within 120 days of when it is received (“in a timely manner”). She pointed the Group to a different page in the blue handout which used arrows to show the flow of the process, to explain the relationship between the City’s review process for a project and CTIP even though they were on different schedules.

With respect to the concern about having inadequate information about traffic impacts because CTIP was not completed, she said that DPD would review traffic and develop mitigation even without CTIP. When DPD gets information about a project, she said, that information is included in land use growth forecasts to guide CTIP. She pointed out that DPD would review trip generation and all modes of traffic; that information would also inform the CTIP process as new information. DPD also identifies measures to mitigate. So, with or without CTIP, the City can identify and require mitigation. That information also informs CTIP.

When the City issues its Master Use Permit decision, the City makes its formal environmental determination, indicating the kind of environmental review and documentation that will be needed. The applicant can decide whether or not to appeal that decision.

A member asked if the environmental determination should not occur earlier in the process because of the length of time preparation of an environmental impact statement or EIS can take. Ms. Sugimura acknowledged that preparing an EIS takes a fair amount of time but said that the determination about what’s needed also requires a certain amount of information.

### **The Development Agreement between the City and Simon Property Group**

The Chair then invited Jackie Kirn, Office of Policy and Management, to speak to the Group about the Development Agreement between the City of Seattle and Simon Property Group. She began by saying that the City hoped to give the Stakeholders a calendar by early fall that would weave together the Simon and Lorig projects, Stakeholders Group meetings, Design Review, public notices and comment periods. She said Stakeholders Group meetings would match key decision points in the process. The calendar is intended to be available on-line, she said, and DPD will send notices of each key event in advance.

With respect to coordination between the timelines for proposed projects and CTIP, she said baseline information and forecast data for CTIP are expected to be done by fall and early winter which will help in the review of specific projects.

In addition to the processes that Ms. Sugimura described, Ms. Kirn said the Northgate Mall Development Agreement had additional provisions. (The Development Agreement, which was provided to the Stakeholders earlier in the process, is a long document; she referred the Group to a two-page summary of the key elements in the Agreement that was sent out in their packets.) The Development Agreement, she said, is a contract between the City and Simon Property Group that lays out what each agrees to do. It is legally binding and applies to the Northgate Mall and to parcels A and B. The requirements in the Development Agreement go with the property if it changes hands.

She summarized key elements of the Agreement that apply to the Mall as follows:

- Simon Property Group has committed to participate in the Stakeholders Group process and to seek input from this group. Simon's presentation at this meeting was to be a first look, on a conceptual level, at the proposed development.
- The Agreement is the way the City has the option to buy South Lot land at \$375,000, which allows the City to do the drainage project.
- Simon's development must go through the full permit and design review process.
- With respect to 5<sup>th</sup> Ave., Simon has committed to extending the pedestrian walkway from The Bon to the new park across 5<sup>th</sup> Ave NE.
- The Master Use Permit process will make decisions about pedestrian connections. All of these steps knit together to make final decisions about the pedestrian plan
- Simon has agreed to consider sustainable design in construction and to incorporate natural drainage techniques. In response to a question about whether the City could encourage natural drainage via incentives, Ms. Kirn indicated the City was providing technical information and assistance.
- With respect to traffic analysis and mitigation, Simon has extensive information and a model it will contribute to the City.
- The Agreement allows more square footage to be developed than is proposed.
- A parking garage is allowed. If one were to be developed in the northeast area of the mall, which is a major pedestrian street, then no parking would face the pedestrian area.

She also identified elements in the Development Agreement that applied to South Lot as follows:

- Because South Lot is adjacent to the Transit Center, the Agreement limits certain uses that would not be compatible with pedestrian uses.
- It also placed a requirement for 150 housing units, which Lorig raised in December to 300. He may raise the number above 300.
- It requires Simon to coordinate with King County/Metro and the City on design issues.

In response to a question from a member about stormwater detention requirements, Ms. Kirn said that Simon would have to meet the code for stormwater detention that was in place when the Agreement was signed.

The Chair then invited Gary Weber, Simon's Leasing Manager for Northgate, to give an informational presentation to the Group. He encouraged members to think about questions for the future.

Mr. Weber introduced Joe Stallsmith, Director of Engineering for Simon, and consultants working with them on Northgate, including:

- Steve Harmon of Callison Architecture, a Seattle-based firm that has worked on Simon projects for many years. Mr. Harmon said that the retail market was the firm's specialty and his firm has worked on such projects as the Alderwood Mall; Carillon Point in Kirkland; University Place's new town center, and Nordstrom buildings, including the flagship store in downtown Seattle.
- Tom Jones of KPFF Consulting Engineers who provide civil and structural engineering services and have a staff of 600 and 10 offices in the Pacific Northwest. His experience includes work for Alderwood in 1994, early planning for the Kent Station, and work with Lorig on projects in Overlake, in Ravenna, and on South Lot.

Mr. Weber then showed drawings which had earlier been shown at an open house at Nathan Hale High School. He said they were very preliminary, conceptual illustrations. He said Simon did not yet have the information it or the Group would need to make decisions. However, he said he could share the following information.

- Simon has the ability to build 200,000 square feet north of NE 103<sup>rd</sup>. At this time, he said, Simon plans to develop about half of that amount or 100,000 square feet, mostly on the west side of the mall.
- The medical building and the theater are to be demolished and the area regarded.
- Some of the new buildings will be separate, some will be back to back, and a landscaped pedestrian area will be created. The stores will face the freeway, with entry only from the west.
- A 10,000 square-foot building is planned for the southeast corner (the old Malmo site) for a restaurant, shops or a clinic. He said that what happened in that corner might be influenced by the Lorig development.
- On the northwest corner a restaurant pad is planned; he indicated there had been a lot of interest in it.
- The east entrance is to be relocated and rebuilt to align with the library entrance.
- The Development Agreement gives Simon the right to build a parking structure; it is being considered but no decision has been made. If one is built, it will be located between NE 103<sup>rd</sup> and the JC Penney store.

- Other major aspects include pedestrian access shown on the pedestrian plan between the Transit Center and the Mall to the north, to the east, and across the west-facing stores.

He said Simon was seeking Stakeholders Group input on pedestrian access.

Mr. Stallsmith explained that Simon was not showing more refined drawings because they were still developing information. He said they expected to submit a Master Use Permit application in about two months and have been working behind the scenes to develop information, prepare preliminary grading plans, conduct a parking analysis and complete gathering baseline information. Then, he said, they will prepare new drawings to show what is being planned.

Mr. Weber said that he had been working on this project since 1994. He said that Simon recognizes the problem with how the mall looks and the community's desire for a community feel to the mall. He said the sketch was designed to show what Simon wants to create along the west edge – an outwardly looking set of shops. Callison's role will be to give it an attractive appearance.

Stakeholders offered comments and asked questions, as follows (with responses where provided):

*Question:* What about pedestrian access from the eastside, especially along First Avenue. What about the side that faces 5<sup>th</sup> Ave.?

*Response (Gary Weber):* We do not have a plan to develop the east side. Simon's first priority is to get rid of the medical building and the theater and to get something going there. With respect to pedestrian access, he thought the answers would come via CTIP and the Pedestrian/Open Space Plan since access was on public property. He said the elevation issue was one Simon couldn't solve; it needed to work with the City on how to redo First Ave.

*Question:* I dislike the acres of asphalt. Is there any plan to put walks and trees in or any way to make the parking area more appealing?

*Response (Gary Weber):* Parking is an important part of how a mall works; 90% of customers drive to us. (Joe Stallsmith) The Development Agreement provides the basis for the requirement for open space and landscaping. Simon will work with the Stakeholders and the City. The area will be enhanced with landscaping and entry drives. We must also provide parking spaces for our customers. To get the ratio of parking our tenants want, especially if the garage is south and retail is north, will be a challenge. We will do what we can to enhance landscaping.

*Question:* Can't you build sidewalks next to the streets that go into the mall?

*Response (Gary Weber):* We're working on it.

*Question:* How about the example of University Village parking garage which is away from retail; does it work well?



*Response* (Gary Weber): I don't know. We do know that customers generally prefer outside parking to inside.

*Comment:* I go to University Village over Northgate because it's a more pleasing experience aesthetically. I want Northgate to appeal to more people. If the walking experience were better, that would be very nice. I like the idea of the parking garage. It'll be right by transit. Is there a fear that people will use the Park & Ride and not come to the mall?

*Response* (Gary Weber): We prefer that regular commuters not park in our lot. Simon has created fabulous centers around the county and we know a lot about what people want when shopping. We expect our planners will create an attractive streetscape.

*Comment:* Thanks for the presentation; I like it. I appreciate seeing the medical building and theater go away. Is it true you're redesigning the first mall? Is Northgate a regional rather than a local mall?

*Response* (Gary Weber): Retail has evolved a lot in ten years. University Village is one of the best "life-style retail" examples in the US. People seek out and shop there even with no anchor tenant. Northgate still relies on an anchor tenant to draw, and it still generates a lot of revenue for our tenants.

*Comment:* Northgate mall, when it opened in 1950, was a one-stop mall, with a grocery store, dime stores, a hardware store. I'd like to see it be a service mall for the neighborhood.

*Response* (Gary Weber): Northgate doesn't have the real estate to do that. The nature of grocery stores has changed; today 50 – 100,000 square feet of space is needed for a grocery store. As far as furniture stores go, low volume stores (for example, Doces) wouldn't work because they couldn't afford Northgate costs. But Pottery Barn and Restoration Hardware generate higher volumes and can work. He said that the "big box" stores (Walmart and Costco) have had a huge impact on retail. He noted that Walmart is the biggest toy store in the US, not FAO Schwarz or Toys R Us. While it might be nice, a mall can't support all of those different kinds of uses today.

*Question:* What about the garage: size, number of cars, footprint? How will cars access it? This matters to transit. Are you leaving space for light rail that is coming to Northgate at some point?

*Response* (Joe Stallsmith): We are just starting to look at the garage and don't know the answers yet. It would probably be multi-story with perhaps 450 spaces. With respect to light rail, we've just seen the latest plan for alternatives on First Ave. We are not proposing anything counter to them. We're open to coordinating if those processes are as fast as ours.

*Comment:* Thornton Creek Alliance would love to see the integration of stormwater management with landscaping. In the Highpoint area they have changed topography and created flow and aesthetic spaces, using plants to absorb flow. We'd love to see Simon explore that.

*Comment:* At Bellevue Square, everyone must park in the garage but there are bridges to the stores.

*Response* (Joe Stallsmith): That's something we'll focus on, convenience to our customers. We'll also look at pedestrian access to the mall.

*Comment:* Thank you for coming and sharing. Northgate is vital to our whole area. I appreciate the willingness to invest in the area. The challenge will be the transportation and traffic, to keep it from degrading further. 95% of people will drive – getting them through Northgate Way, 103<sup>rd</sup>, 1<sup>st</sup>, etc.

*Comment:* The example of Bellevue Square is one to look at. They did a great job. Shopping figures are up. People have adjusted to structured parking. It is a convenient way to avoid being out in the elements.

*Question:* Is there any thought to using the road under Northgate mall for anything other than deliveries?

*Response* (Gary Weber): No. It's a security issue. Also, because of today's instant delivery services, we get deliveries every day, generally via panel vans. (We can't handle container trucks). The Bon, Penneys and Gottschalk's do still use it but we do not have a good system from truck level to retail.

At the conclusion of the presentation, the Group applauded.

The Chair thanked the presenters and encouraged the Stakeholders to consider the information they want to have expanded so Simon can respond.

As there was no one who wanted to offer public comment, the meeting adjourned at 6:30 PM.

## **Meeting Attendance**

Representatives and Alternates of the **Northgate Stakeholders Group** in attendance were:

**King County/Metro:** Rep. Ron Postuma

**Simon Property Group:** Rep. Gary Weber

**Maple Leaf Community Council:** Alt. Mel Vannice

**Haller Lake Community Council:** Rep. Velva Maye

**Pinehurst Community Council:** Rep. Lorna Mrachek

**Victory Heights Community Council:** Rep. Brad Cummings

**Thornton Creek Alliance:** Rep. John Lombard

**Thornton Creek Legal Defense Fund:** Alt. Bob Vreeland

**North Seattle Community College:** Rep. Ronald LaFayette, Alt. Bruce Kieser

**Northwest Hospital:** Alt. Rose Dammrose

**Owners of Three or More Acres:** Alt. Rodney Russell

**Senior Housing:** Rep. Jeanne Hayden, Alt. Sandra Morgan

**Multi-family Housing Developers:** Rep. Colleen Mills

**Businesses Inside the Mall:** Rep. Kurt Schauermaann

**Businesses Outside the Mall:** Rep. Michelle Rupp

**Labor:** Rep. Brad Larssen

**At-large:** Rep. Shawn Olesen

**At-large:** Alt. Mike Vincent

Members of the Triangle Associates facilitation team included Alice Shorett and Vicki King.